AR24

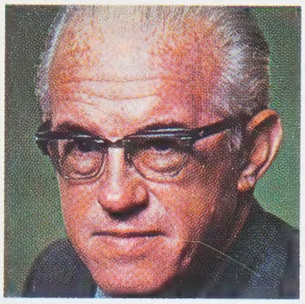
Bell Aerospace

Bell Helicopter

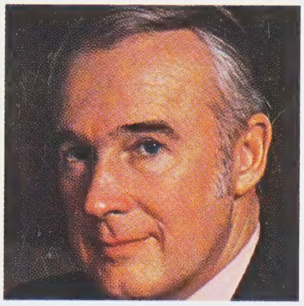
Bostitch

Camcar

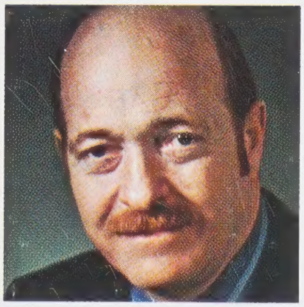
Dalmo Victor


Fafnir

Homelite


Shuron Continental

Speidel


Talon

Textron's Top Ten Profit Contributors

Presidents talk about Textron, page 13

textron

44th Annual Report
1971

textron
Providence, Rhode Island

Highlights

	1971	1970
Sales	$1,603,713,000	$1,611,851,000
Pretax Income	130,418,000	124,236,000
Net Income	71,818,000	66,736,000
Earnings Per Share*	$2.06	$1.90

*Per share results are computed on the basis of full conversion of all preferred stock and exercise of warrants and stock options.

Employees 62,000 / Plants 165 / Securityholders 87,000

Cover photographs

The Presidents of Textron's ten largest Divisions on the basis of 1971 profits (in alphabetical order):

Bell Aerospace — William G. Gisel
Joined Bell Aerospace in 1940; President since 1960. Miami University of Ohio, B.S.

Bell Helicopter — Edwin J. Ducayet
Now Chairman, he joined Bell Helicopter in 1950; chief executive officer since 1960. Prior to joining Bell had been an executive with Curtiss-Wright. Massachusetts Institute of Technology, B.S.

Bostitch — M. Claude Schuler
Joined Bostitch in 1946; became President in 1964. Syracuse University.

Camcar — Ray H. Carlson
Co-founder of Camcar in 1943; became President in 1967. Inventor of famous Raycarl metalworking process. Harvard Business School Advanced Management Program.

Dalmo Victor — John H. Pamperin
Joined Dalmo Victor in 1967; became President in 1969. Previously President of Advanced Technology Division of American Standard. University of Wisconsin, B.S.; graduate study at New York University and UCLA.

Fafnir Bearing — Franklin S. Atwater
Joined Fafnir in 1939; became President in 1969. Massachusetts Institute of Technology, B.S.

Homelite — Robert P. Straetz
Joined Homelite in 1946; became President in 1969. University of Chicago, B.S.; graduate study, Purdue University, Illinois Institute of Technology.

Shuron Continental — Gordon M. Cooper
Joined Shuron in 1966; became President in 1969. Previously held executive positions with Timex Corporation. University of Connecticut, B.S.; graduate study at Yale University.

Speidel — John A. Keenan
President of Sheaffer Pen Division for six years prior to becoming President of Speidel in 1971. Formerly President of Standard Packaging. University of Wisconsin, B.S., M.S., Ph.D. in chemistry.

Talon — James W. Nelson, Jr.
Joined Talon in 1969 as President, coming from General Electric, where he was General Manager of the Medical Systems Department. University of California, B.S.; graduate study, Syracuse and Stanford Universities.

Annual Meeting — Textron's annual shareholders' meeting traditionally is held on the third Wednesday in April. This year, however, it has been deferred to May 17 so that it can be held simultaneously with the special meeting at which shareholders will vote on the proposed merger of American Research and Development Corporation into Textron. Combining the two meetings will simplify mailings to shareholders and will avoid unnecessary duplication and extra expense.

Focus on Rhode Island — Corporate officers in this report are pictured with locations in Textron's headquarters city, Providence.

Message to Securityholders

G. William Miller, Textron's President, is photographed from the top floor of the new 40 Westminster Building, in which Textron now has its corporate offices. In the background is Providence's College Hill, including the campuses of Brown University and the Rhode Island School of Design. Mr. Miller, who grew up in Texas, came to Textron in 1956 from the New York law firm of Cravath, Swaine & Moore and was elected President in 1960. He received a degree in marine engineering from the Coast Guard Academy and his J.D. degree from the University of California Law School at Berkeley.

Textron's progress has continued in the face of difficult economic conditions. Our goal is superior performance based on products and services of excellence and quality. Such performance will offer the greatest benefits for shareholders, employees, customers and society in general.

In an uncertain and changing world the task ahead will not be easy. Our priorities will be (1) people development, (2) internal growth and (3) expansion into new areas of opportunity.

People Development

Competent, well-prepared and highly-motivated people are the key to Textron's future. Through direct comments of representative managers, this Annual Report is intended to provide insight into the quality of leadership which now guides the company. In 1971 attention to people development resulted in more than forty internal promotions to key positions.

Internal Growth

We've continued to encourage programs designed to enhance long term profitable growth. Company research and development, for new products, and capital expenditures, for efficient means of production, have been maintained at high levels. New products introduced within the past five years accounted for 20% of 1971 sales.

New Areas of Opportunity

We've made good progress in transnational expansion. Textron Canada continues its growth, Textron Atlantic is well established in Western Europe, Textron Pacific is taking shape for the Far East, Textron Australia has been activated, and trade relations are developing with Eastern Europe. International sales, including exports, now represent 13% of Textron's total. This is helping to increase our U.S. employment.

The proposed merger of American Research and Development Corporation with Textron will be a major step into a new field. ARD is a well-known and highly-successful leader in creative venture capital. The plan will provide Textron with opportunities to share in ARD's proven record of helping people develop new markets and technologies. The proposal will be presented for a vote of Textron shareholders in May.

Outlook

With the economy gradually improving, and Phase II hopefully slowing the rate of inflation, the outlook for Textron is good. Within these pages you will discover why we believe Textron's 1972 profits will continue to move ahead.

G. William Miller

February 15, 1972

Financial Results 1971

Comment by Joseph B. Collinson
Executive Vice President — Finance and Administration

Joseph B. Collinson, Executive Vice President — Finance and Administration, is pictured in front of the majestic Rhode Island State House, a marble structure topped by a bronze statue of "The Independent Man", symbolic of Rhode Island's historic independence. The statue was cast by Gorham in 1899. With Textron since 1959, Mr. Collinson previously was a partner in the accounting firm of Arthur Young and Company. He received a degree in business administration from Ohio State University and is a Certified Public Accountant.

In 1971 Textron had increased profits on approximately level sales. Despite an uncertain economy, net income rose to $71.8 million, up 7.6% on sales of $1.6 billion. Earnings per share were $2.06 compared with $1.90 in 1970.

Textron's financial position continued strong during the year. Internally-generated funds totaled $113 million, resulting in a favorable cash position which enabled Textron to prepay the $64 million balance of its bank term loan. At year end, long term debt was 22% of total capitalization.

International sales, by export and by foreign manufacture, increased to $214 million, or 13% of the Textron total. Textron Atlantic sales volume rose to $62 million, including the addition of Adcock-Shipley, a British firm producing horizontal and vertical milling machines for European and world markets.

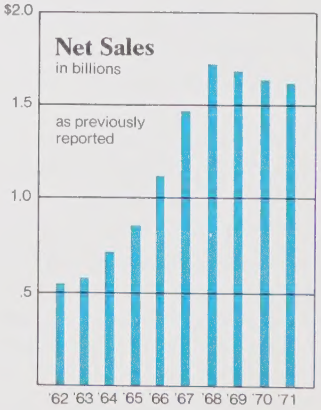
Early in 1972, the Boards of Directors of Textron and American Research and Development Corporation approved in principle the merger of the two companies. ARD is a venture capital corporation with investments in a number of companies, mainly in scientific and technical areas.

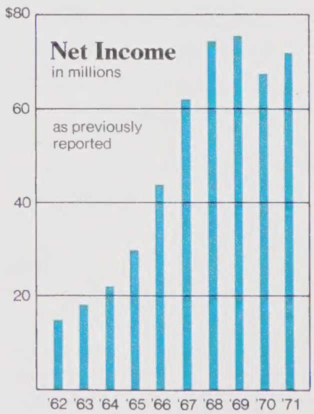
As part of its plan ARD would distribute to its shareholders its holdings of Digital Equipment Corporation prior to merger with Textron. ARD shareholders would receive three-fourths of a share of DEC stock and three-tenths of a share of Textron common stock for each ARD share.

Lehman Brothers has been asked to give an opinion as to the fairness of the transaction to ARD shareholders. The plan is also subject to a favorable tax ruling and approval by shareholders of both companies.

An offer made last September for the acquisition of The Kendall Company was withdrawn by Textron early in 1972. Textron had made its proposal following an invitation to do so from a Kendall family shareholders' group.

Textron's growth in profits should continue in 1972, particularly in view of the projected upturn of the economy. These favorable developments are expected: a continuation of the strong 1971 showing by the Consumer Group; another good performance by the Aerospace Group; and improved results by the Industrial and Metal Product Groups.





Operating Results 1971

Comment by Erskine N. White, Jr.
Executive Vice President — Operations

In 1971, Textron once again proved the validity of its concept of balance and was able to increase overall profitability in spite of spotty business conditions in the general economy. Gains in several areas cultivated by Textron in recent years countered a softness in machine tools and other capital goods markets.

Emphasis on consumer products continued to produce strong results. The Consumer Group accounted for 48% of Textron's income, with earnings increasing 23% on a sales increase of 16%. There was special strength shown in the home sewing and apparel markets and in the fields of health care and personal safety, leisure time and giftware.

The performance of the Aerospace Group was also outstanding, with profitability improved in a year of substantial decline for the industry as a whole. As had been expected, sales for the group were moderately lower, especially Bell Helicopter's government business, but overall profits held near record levels. Within the group there was a healthy balance of ongoing programs and development of new products for the future.

The Industrial and Metal Product Groups both reported lower sales and earnings as a result of the general sluggishness in industrial markets and particularly, of course, in machine tools. There were bright spots, however, such as the record performances of Bostitch and Walker/Parkersburg in responding to strength in construction and other markets.

Continued stress on new product development and performance improvement made positive contributions to the results of all product groups. There were 2,349 new projects introduced during the year in the company-wide Performance Improvement Program, and Division-financed R&D expenditures totaled $33 million, or about 25% of pretax profits.

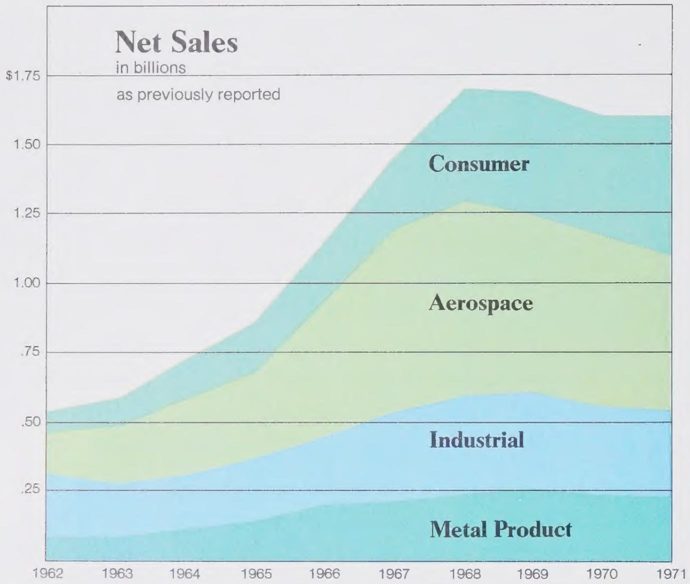
During the year $37 million was invested in new plant and equipment. While Textron has few operations which present any significant problem in air or water pollution, approximately $4.5 million of these capital investments were spent for environmental control programs.

Development of people remained Textron's Number One priority. Two additional advanced management courses and the first session of a new leadership program were held in 1971. An indication of the effectiveness of our efforts to identify and develop management talent is the promotion from within of more than forty Divisional and corporate officers in 1971.

An important element in the motivation of Textron's people is their participation in the Employees Stock Savings Plan, established in 1960. At year end there were more than 14,000 active participants and the Plan held 2,991,195 shares, which is more than 11% of outstanding Textron common stock.

Erskine N. White, Jr., Executive Vice President — Operations, is a trustee of the Rhode Island School of Design, one of the nation's leading institutions of art and design. Pictured in the background is the most striking painting of the School's Museum collection, "Le Repos" by Manet. Mr. White joined Textron's corporate office in 1969, coming from the presidency of the Gorham Division. He holds a bachelor's degree in engineering from Yale and a master's degree in business from MIT.

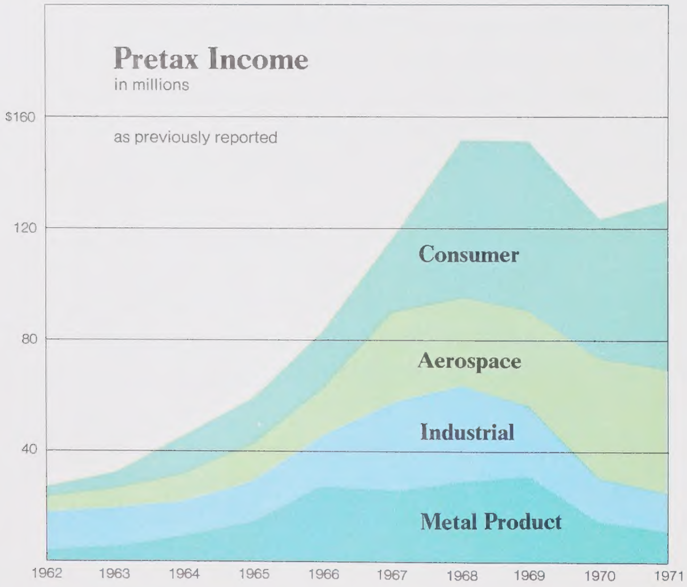
Sales and Income by Product Group



Sales by Product Group

	1971		1970	
Consumer	$ 499,356	(31%)	$ 432,200	(27%
Aerospace	556,559	(35%)	622,035	(38%
Industrial	311,096	(19%)	318,321	(20%
Metal Product	236,702	(15%)	239,295	(15%
Total	$1,603,713	(100%)	$1,611,851	(100%

(In Thousands of Dollars)



Pretax Income by Product Group

	1971		1970	
Consumer	$ 62,041	(48%)	$ 50,264	(40%
Aerospace	43,333	(33%)	43,985	(35%
Industrial	12,924	(10%)	15,667	(13%
Metal Product	12,120	(9%)	14,320	(12%
Total	$ 130,418	(100%)	$124,236	(100%

(In Thousands of Dollars)

Product Group News

CONSUMER GROUP

Donahue Sales
Eaton Paper
Gorham
Homelite
Patterson-Sargent
Polaris
Sheaffer Pen
Shuron Continental
Speidel
Talon

Textron Consumer Divisions have been continuing expansion in a number of growth areas. This helped contribute to a strong group performance during 1971.

Talon increased its zipper sales in the U. S., particularly for use in ready-to-wear and recreational apparel. The Talon Atlantic Group completed its first full year; it provides a strong base in Europe with operations in England, Holland, Switzerland, West Germany, Luxembourg and Italy. Already several of these locations have been able to introduce new products developed elsewhere in the group, demonstrating the opportunities available in transnational operations.

Eaton Paper introduced its most successful new social stationery in years, patterns by the famous fashion designer Emilio Pucci. Donahue Sales' capability in predicting trends in color and design was a source of help in Eaton's development of fashion-oriented products.

Speidel's emphasis on watchband styling led to the creation of the elegantly-slim Thinline, a new type of Twist-O-Flex band to be introduced early in 1972. The Mod Strap, a wide fashion band of cloth or leather, and the Twist-On lower-priced line for mass merchandisers and drug stores, were marketed during the past year.

In the gift field, Sheaffer Pen, while strengthening its position in quality writing instruments, introduced the newly-acquired giftware line of "Illi" art creations.

Gorham sales increased in every major product line with emphasis on a "total tabletop" concept. Fine china and fine leaded crystal, recently added to the traditional silver lines, have been expanded and now are marketed under the Gorham name. Giftware expansion continued; the handpainted MOPPETS™ porcelain figurines became an important new product.

Sales and earnings improved for Divisions marketing leisure time products. Homelite celebrated its 50th year and became the first manufacturer to produce three million chain saws. A new, lower-priced saw, the 150 Automatic, was aimed at the fast-growing occasional-user market. The Division announced in the Fall its first full line of lawn and garden equipment, an important new product addition. Homelite's E-Z-Go golf car unit set sales records, and its new gas-powered line was a sellout.

Group Officers' Comments on Future Growth Areas

To provide insight into the areas from which Textron's future growth will come, each Group Officer was asked to name some products and activities which he feels have strong potential. The list, of course, is not complete.

Egil G. Ruud, Group Vice President, is shown in front of "Athenaeum Row", a picturesque series of brick houses built more than a century ago along Benefit Street on the historic East Side of Providence. Mr. Ruud joined Shuron in 1949, and was President prior to moving to the corporate office in 1969. He was born in Norway, and is a graduate of Hobart College with a degree in economics.

Mr. Ruud: "World markets opening up for Speidel watchbands provide great opportunities. Until late 1971, Speidel had to limit its marketing to the U. S. because of foreign patent restrictions. As these patents expire, Speidel is moving to capitalize on this first opportunity for foreign sales, while at the same time continuing aggressively to develop new products for U. S. markets.

" Camcar should find continuing growth in its development of proprietary fastener systems, such as TORX, for specialized uses. They allow manufacturers to meet higher quality standards in product assembly. "

Consumer, continued

The increasing public concern for health care and personal safety was reflected in higher sales for Shuron Continental. Production of ophthalmic plastic lenses, increasingly important in view of new FDA regulations for impact-resistant eyewear, began at Shuron's new Tampa plant. New Shuron optical laboratory machinery for lens hardening and testing was also introduced.

Demand for Shuron's Welsh division products, especially for sight, hearing and respiratory protection, was spurred by the new Federal Occupational Health and Safety Act.

Polaris' earnings improved significantly. A number of new snowmobile models were introduced.

Charles J. Urban, Group Vice President, stands before the Rhode Island Hospital Trust Tower, one of the new office buildings under construction in Providence. Executive Vice President of the Norge Division of Borg Warner prior to joining Textron in 1968, Mr. Urban received a degree in economics from the University of Illinois.

Mr. Urban: "Gorham's total tabletop concept has exciting growth potential. It gives the homemaker the ability to style her dining area graciously with fine china, leaded crystal and giftware, coordinated with Gorham's silver patterns. Plant capacity is being added in 1972 for Gorham's expanding volume of fine china.

"Homelite's further development of the leisure time market with its entrance into the lawn and garden business also has great possibilities."

AEROSPACE GROUP

Bell Aerospace	**Electronic Research**
Bell Helicopter	**Hydraulic Research & Mfg.**
Dalmo Victor	**Spectrolab / Heliotek**

Advanced vertical lift concepts, air cushioned surface ships, and electronics and space propulsion systems helped provide a balance for the Aerospace Group, resulting in a fine year.

Bell Helicopter commenced delivery of a new commercial model JetRanger II and demonstrated world-wide the twin turbine Model 212. It also introduced the KingCobra, an advanced armed helicopter weapons system.

More than 900 Bells were ordered during the year for the U. S. armed services, with production extending through 1973. Bell also agreed to co-produce with the Government of Australia 191 light turbine helicopters.

The Division is engaged in competitions to provide a Navy VTOL prototype, an Army aerial scout helicopter and the major new Army Utility Tactical Transport (UTTAS) helicopter.

Bell Aerospace during a successful year added to its stature as the U.S. leader in air cushion technology. Bell's 100-ton, high speed Surface Effect Ship, launched in New Orleans last March, has been referred to as "the forerunner of the 100-Knot Navy". Construction of two 160-ton air cushion assault landing craft for the Navy will begin in 1972.

The first Bell Voyageur heavy haul air cushion vehicle was constructed at the Division's new Canadian facility under a joint contract with the Canadian government. The Voyageur has great potential for transporting heavy loads over difficult, unprepared terrain.

Production of the important Minuteman III post boost propulsion system continued, and a contract was received for additional quantity production of the famous Bell Agena rocket engine, a workhorse of the U. S. space program. Bell began two development efforts teamed with other aerospace companies: a quiet STOL aircraft for NASA, and a microwave landing system for civil and military application.

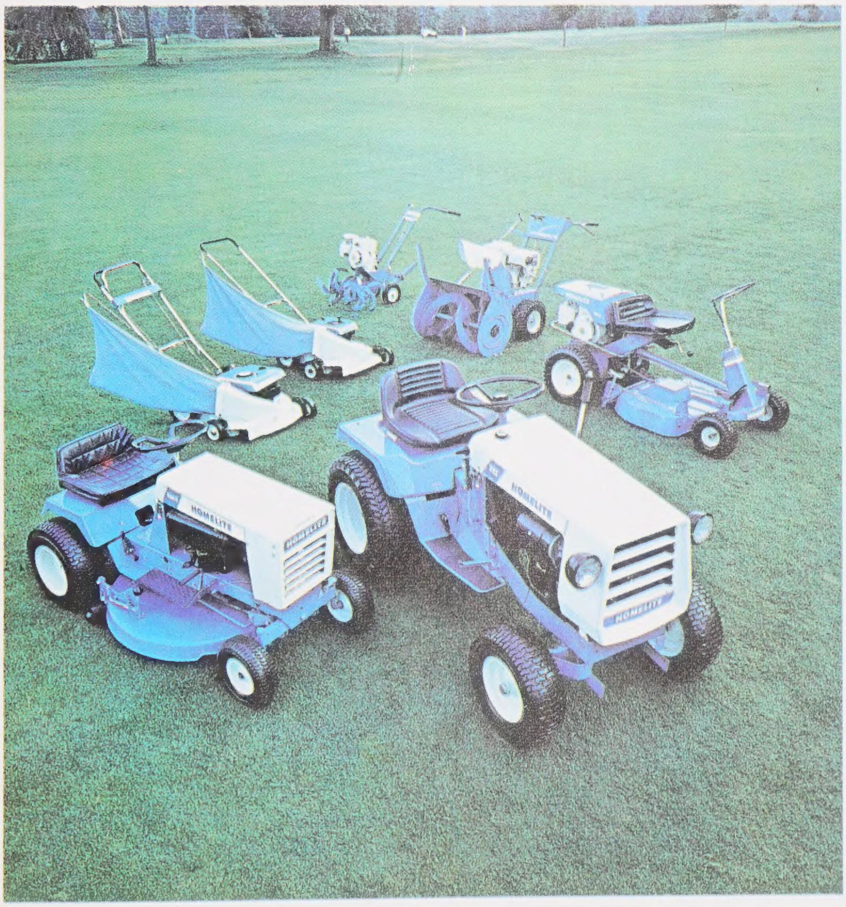
Dalmo Victor's three-year program to develop a strong systems capability has firmly established the Division as a leading producer of electro-magnetic defense systems. Work on electro-optics is continuing, with emphasis on low light level television equipment.

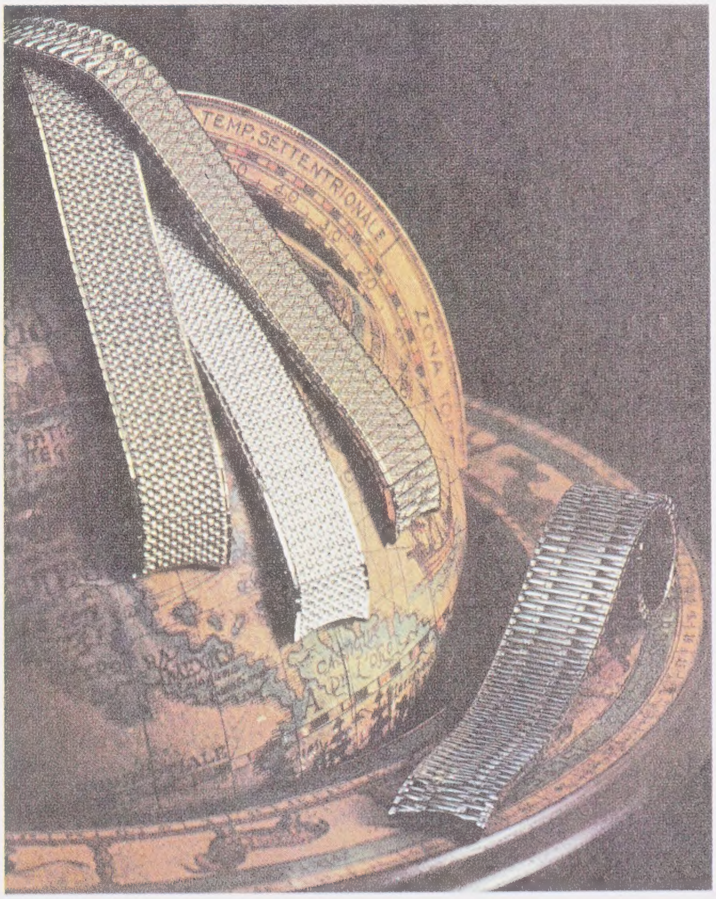
Emilio Pucci created this exclusive new collection of social stationery for Eaton Paper in the colorful styles of his famous fabrics.

Talon's newest zipper line is designed to be seen — as a fashion accessory in contrasting colors of tapes and zippers.

Homelite has introduced a complete line of lawn and garden equipment. There are 19 separate models (seven of which are shown), from a 15-horse power tractor to walk-behind and ride-on mowers, roto-tillers and snow throwers.

The new Speidel Thinline watchband is made of slender links which give the look of a continuous ribbon of gold or silver.





Aerospace, continued

Spectrolab expanded its leadership in solar power systems, particularly for unmanned satellite programs. The Division in 1972 will provide its second solar cell array for use on the moon as part of the Apollo 17 mission. It will power an experiment to determine the existence of water there.

Hydraulic Research and Manufacturing received contracts to design hydraulic systems for the Space Shuttle engine, and to develop "fly-by-wire" flight control actuators for a NASA F-8 airplane.

INDUSTRIAL GROUP

Burkart / Randall
Campbell, Wyant and Cannon
Fafnir Bearing
Fanner
MB Electronics
Spencer Kellogg
Sprague Meter
Walker / Parkersburg

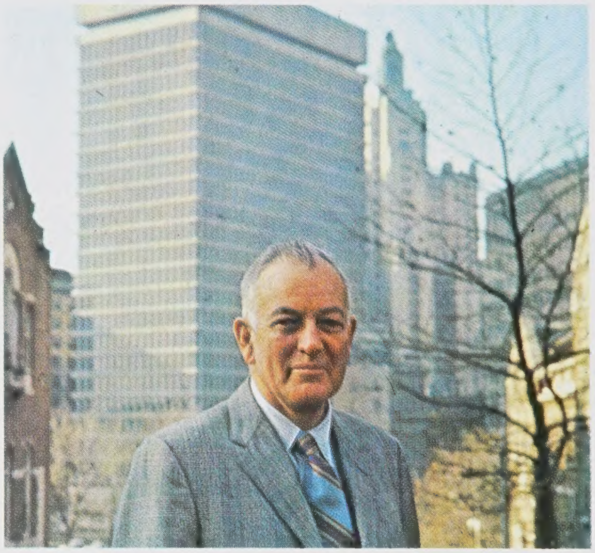
Results for the Industrial Group improved as the year progressed, although they reflected, overall, a continued softness in the industrial sector.

Despite the economy several Divisions achieved excellent profit gains. Walker/Parkersburg continued its steady growth, expanding its line of electrical distribution equipment to include surface raceways used in industrial, commercial and residential structures. Demand for steel buildings continued strong. The favorable results at Sprague Meter reflected an increase in residential construction.

Thomas J. Sullivan, Vice President – Group Officer, is shown with the tall steeple of the historic First Baptist Church In America, built in 1775. Before coming to the corporate office, Mr. Sullivan was President of Hydraulic Research, which he joined in 1963. He holds a liberal arts degree from Holy Cross and a law degree from Harvard.

Mr. Sullivan: "The 'fly-by-wire' advanced control systems for aircraft, under development by Hydraulic Research, could well be the control systems for most future generation aircraft.

"Traditionally, aircraft control systems have utilized mechanical interconnections, with heavy cables and tie rods. In a fly-by-wire system, the pilot triggers an electrical signal to the control surface and this is translated into the mechanical force that moves the surface. This eliminates mechanical linkages and the weight that they involve."



James E. Turner, Group Vice President, is photographed on College Hill, with 40 Westminster, the new building housing Textron's corporate offices, in the background. Mr. Turner joined Talon in 1938, and was Talon's Vice President – Finance and Administration when he came to the Textron corporate office in 1969. He received a degree in industrial engineering from MIT and an MBA from Harvard Business School.

Mr. Turner: "Campbell, Wyant and Cannon's production of castings for the new gas turbine engines shows excellent potential. Automotive people have great expectations for the growth of the turbine business for trucks and off-the-road vehicles. CWC continues to work with leading automotive manufacturers in this field, whose vehicles using CWC turbine castings are now being road-tested."

Riding on a cushion of air over deep snow, the Bell Aerospace Voyageur heavy haul hovercraft carries two truck trailers in initial tests at Grand Bend, Ontario. The vehicle can carry a 25-ton payload at 50 mph, and operate over surfaces as varied as snow, ice, water and tundra.

Burkart/Randall had a mixed year. The Randall unit turned in the best performance in its history, but Burkart earnings declined. However, sales of Burkart's foam cushioning improved, as a replacement for the Division's traditional business in cotton seating.

Campbell, Wyant and Cannon continued its program to supply castings for development work on gas turbine engines by automotive manufacturers. A major new CWC installation of automatic equipment helped improve manifold casting production. An even larger program for modernization of CWC plants over the next two years will include substantial investments for environmental control.

New products and manufacturing techniques helped Fafnir Bearing offset pressure from imports and the decline in aerospace sales. Faflock, a new shaft-locking technique introduced by Fafnir during the year, is a significant innovation in bearing application technology.

METAL PRODUCT GROUP

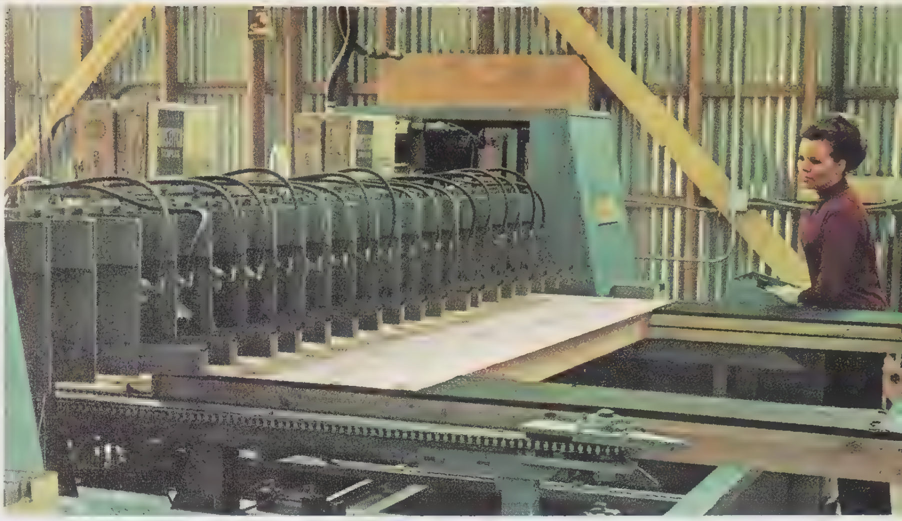
Adcock-Shipley
Bostitch
Bridgeport Machines
Camcar
Pittron
Townsend
Waterbury Farrel

Continued growth in power nailing equipment for the building industry and in specialized fasteners were bright spots for the Metal Product Group, partially offsetting the effects of a further slump in orders for machine tools and other capital equipment.

Bostitch experienced another excellent year, thus helping celebrate its 75th anniversary. Increases in construction of both standard and mobile homes contributed to expanded demand for Bostitch heavy duty nailers. Auto Nailer wire-driving equipment proved a valuable new product supplement to the growing line of power nailers.

A Fafnir breakthrough, the new Faflock locking device (right), utilizes steel clips to wedge the bearing to the shaft. There are significant cost savings over the older method of separate bearing and locking collar shown on left.

Bostitch high-speed fastening methods are being utilized in new techniques of mass housing construction. Here a wall panel for an apartment building is being assembled in an Oklahoma City plant by an automated framing system using 20 Bostitch stapling heads mounted together.



Metal Product, continued

Camcar continued to develop specialized fastener systems to provide lower in-place costs for customers. Auditorx, the latest application of Camcar's proprietary TORX Drive System, is a breakaway torque screw expected to have wide application in the automotive industry because of its assurance of better quality in assembly.

Townsend moved to increase its participation in commercial applications of fasteners to offset the decline in its aerospace business. Two Townsend divisions were consolidated to improve efficiencies in production and marketing.

New products helped both Waterbury Farrel and Bridgeport Machines fare better than the machine tool industry as a whole. Total Numerical Control (TNC) applications, particularly in metal turning, continued to provide a base of new orders for the Jones & Lamson division of Waterbury Farrel. Announcement will soon be made of a new and simplified language system for digital programming of J & L's highly-successful line of TNC equipment.

Bridgeport Machines received encouraging first year orders for its larger, Series II miller and the new Bridgeport numerical control systems.

Robert S. Ames, Senior Vice President, stands in front of the Providence Athenaeum, one of the nation's oldest private libraries, of which he is a director. Mr. Ames is a former Vice President of Manufacturing of the Bell Aerospace Division, which he joined in 1964. He came to the corporate office in 1968. Mr. Ames holds degrees in liberal arts and engineering from Columbia and was a Sloan Fellow at MIT, where he received an M.S. degree in industrial management.

Mr. Ames: "Bostitch power-nailing equipment gives us a tremendous position in the construction of houses and mobile homes. We have models to increase productivity for relatively small builders, as well as for the large, mass construction firms and even the factory builders. They all save money and time.

"Then there are the great potentials at Bell Aerospace, which has been an aeronautical pioneer throughout its history. Sometimes it takes a long time to find the payoff, but such V/STOL pioneering projects as the X14, X22A, and the lunar landing training vehicle will provide the technological capability which will mature in new programs in the 70's.

"This is also the case in our air cushion vehicle work, which fits right into the Navy's plans for a new, high speed fleet.

"Bell Helicopter, of course, will continue its technological leadership in vertical lift aircraft, with advanced projects for the UTTAS competition and the Model 300 tilt rotor aircraft."

Providing a Climate for Growth

Textron provides an environment for growth of its Divisions in a number of ways:

A pioneering concept of managed decentralization from a strong financial base . . . Ability to act as a catalyst for the constructive exchange of ideas . . . Emphasis on people and their growth and development . . . Flexibility in organizing to meet the challenge of change and to extend the Textron concept into new and emerging areas.

This section is intended to expand on these points through direct comments by a number of Textron managers.

Role of Group Officers as They See It

The key link between corporate and Division management is the relationship between the corporate Group Officer and the Division President. To examine the nature of this Textron management concept, senior corporate officers and Division Presidents pictured on the cover comment here on that relationship and on the Textron management style in general.

Charles J. Urban: Let's face it, being the President of anybody's company is a very lonely assignment. There usually are few in the President's subordinate group that he is willing to take into complete confidence about every program. The Group Vice President can become an effective confidant. Some of our most valuable sessions have been those where we discuss the President's problems and plans in informal fashion.

James E. Turner: The Group Officer is there to help the Division President, and if the President recognizes this, there is mutual trust. He is not just a liaison. He can become a catalyst to spark Divisional thinking. Sometimes he acts as a sounding board.

Mr. Ruud

Mr. Urban

Egil G. Ruud: An important point is that our Presidents recognize that the Group Officers in this company all have had operational experience. Number two, we have an overview because we don't get as involved in the daily operations of the Division. I think the Presidents also appreciate that because we work with other Divisions, we can bring them ideas that have succeeded elsewhere.

Mr. Turner: A Group Officer's job is probably easier to do than to describe. He must make sure his Presidents get the support of the home office, assist them in decisions and help by relating his own experience in past situations. We not only say we give our Division Presidents autonomy of operation, but in fact, we do it.

Mr. Ruud: We are more than conduits of ideas. We must develop acceptance and understanding and I think we succeed fairly well in knocking down communications barriers.

Thomas J. Sullivan: The Group Officer must know when to keep his mouth shut if the Division manager decides to go off in a direction that he doesn't fully

Mr. Sullivan

approve. The Division as a result may stub its toe but will be able to realize it and take corrective action. The words "I told you so" don't belong in a Group Officer's vocabulary.

Robert S. Ames: The heart of our management policy is that we try to implement an effective decentralization. An absolute requirement is mutual trust between the headquarters and the Division.

Our policy is to operate with a doctrine of no surprises. To the extent that we've been successful, this has been a great discriminator between us and other multimarket companies. Textron people have believed that they could always afford to tell the truth.

Mr. Sullivan: Upon becoming a Group Officer this past year, I was immediately struck by the fact that where previously, as a Division President, I made the decision and that would be it; now I try to accomplish things through coordination, persuasion, a great deal of evaluating, and suggestion.

Mr. Ames: The Group Officer should put his emphasis where there is a weakness or a lack of balance. For example, if asset management is open to improvement, obviously you try to be a catalyst toward a creative program for improved return on investment.

Mr. Ames

Role of Group Officers in Divisional Planning

Mr. Turner: The Group Vice President should participate in the planning, particularly long term programs. He should be there to make suggestions, but not to make decisions. This is the Division's province.

Mr. Ruud: As part of the planning function we stimulate our Presidents in regard to goals, product planning, future growth, controls, and alternative methods of action. There is also a responsibility to motivate the Division to work out the plan.

Mr. Turner

Mr. Ames: It's characteristic that our best run Divisions do the best job of planning, and they have the broadest participation by their management teams in the planning process. The President has injected himself into it and made all his key people contribute. It's a plan to which a lot of people are committed.

Because of this broad-based planning technique, we are able, with some judgment, to make realistic corporate plans from the sum of the Divisional plans, and to add new directions as needed.

Mr. Urban: We also become financial advisors to our Divisions; try to plan with them the efficient utilization of capital; assist in developing long term strategies. We are not so close to the forest that we do not see the trees. And as a result we become almost a consultant in the strategic development of the Division's enterprise.

Mr. Sullivan: An important element of our planning process is the annual business review of the Division by senior corporate officers. It shows where the Division stands today and its plans for the future. The Division must formulate its plans and present them in a best-foot-forward way. And the exchange of ideas at these reviews is a great training ground for the Division's second level of management.

John B. Henderson, Senior Vice President and Secretary, is shown in the handsome doorway of his restored Colonial house on Benefit Street, just off the Brown University campus. Mr. Henderson has been with Textron since 1962. He was Vice President and General Counsel from 1968-71, and prior to that, General Counsel of the Textron Pension Fund. He holds degrees from Brown, in English, and Harvard Law School.

Division Presidents' Comments on Relationship with the Corporate Office

William G. Gisel, Bell Aerospace: The Division President's relationship with the Group Vice President and Textron corporate headquarters is unique in modern management. It is this mutual trust and reliance on proven professional management, and more importantly, the mutual respect generated by such trust that distinguishes Textron.

Edwin J. Ducayet, Bell Helicopter: An informal but workable relationship has provided the control required and at the same time given the Division President the responsibility and freedom to operate within good business practices and sound judgment. The financial management provided by Textron on top of our own controls has produced outstanding results.

M. Claude Schuler, Bostitch: The corporate Group Vice President is an important member of our total Division management team. Although the final decision is the responsibility of the Division President, the availability of an unbiased opinion on Divisional internal problems provides healthy assistance in making the best possible decision for the company.

Ray H. Carlson, Camcar: One important reason for Textron's success lies in the skill of its corporate management team in knowing how to employ the entrepreneurship capability of the Division President without reducing his confidence or motivation for doing the "whole job".

John H. Pamperin, Dalmo Victor: The relation between the Division President and the Group Officer should be one of "full disclosure". Early cooperation between the two during business shifts, either up or down, will provide the best possible opportunity for making decisions which are correct at the Division level, but which will also properly reflect the guidelines laid down by corporate policy.

Franklin S. Atwater, Fafnir Bearing: I see the corporate office rather as a President of a separate corporation views his board of directors: a source of guidance on proposed goals, strategies, and policies; a review agency for appraising on-going programs; and a backboard against which major problems may be bounced to gain the judgment of diversity.

Robert P. Straetz, Homelite: The relationship between the Division President and the Group Vice President requires constant communication on Divisional opportunities and problems. This close rapport prevents any big surprises, yet places responsibility for operating results at the Divisional level.

Gordon M. Cooper, Shuron: The relationship of the Division President and the Group Officer not only permits Divisional operating autonomy, it gives the Division a sounding board for planning before important decisions are implemented. Without this involvement the business life of the Division President would be a solitary existence and inconsistent with our philosophy.

John A. Keenan, Speidel: The Group Vice President is at various times a chaplain, an adviser, an evaluator, and a constructive critic. He performs these roles without interfering with the Division's responsibility. Moreover, because of the aid of the corporate office, Division management can spend its major time in running the business.

James W. Nelson, Jr., Talon: Textron's corporate management philosophy achieves a balancing of corporate goals and policy with a high level of operational autonomy for each Division. The assignment of complete general management to the Division president allows his concentration on planning.

Textron's program for idea exchange between Divisions is illustrated by Donahue Sales' sharing with other Consumer Divisions its experience in anticipating color and design trends in fashion. Here Miss Lee Ennis, Donahue's Vice President — Fashion and Design, comments on fashion trends at a meeting with George H. Murphy, Chairman of Consumer Product Development for Textron.

People Development

John B. Henderson: People development is a key to our future. We are seeking to generate a larger pool of talent, not only for the businesses we now operate, but for the new areas in which we will be involved.

We have no central personnel department, and we do not intend to set one up. The basic responsibility for developing replacement talent remains with the Divisions. We want to be a catalyst, to find ways of making logical transfers among Divisions, and between Divisions and the corporate office. These can provide talented persons with an opportunity to move, perhaps to a Division where there is not as much strength ahead of them, and where their talents are required.

Mr. Urban: We will have to accelerate our identification and development of people, to make sure that they come along at a fast enough pace to challenge themselves. Not only will this attract new people but it also will improve utilization of present people assets.

Mr. Ames: You never take a risk in helping a man to grow. If you do help the man, you will help the corporation every time.

Exchange of Ideas

Mr. Ames: Textron has evolved a broad mechanism for exchange of ideas, to take advantage of the range of expertise available in our thirty Divisions and corporate office. Originating as manufacturing meetings of the Aerospace Divisions, technology transfer has expanded gradually. All sorts of groups have come together formally and informally to discuss common problems, and recently we have had the first meetings on consumer products and on product design creativity.

You get two big impacts from these meetings. First, people share their specialized knowledge; the payoff from such an exchange can be dramatic.

The secondary effect is even more useful. You've brought together people with common interests and they learn that they can call each other up and get advice and help. They discover powerful resources within Textron, and they find that Textron people really do belong to the same family.

The Aerospace and Consumer meetings involve compatible groups determined by their self-interests. We don't want meetings on so formal a basis that people show up because they think they must.

Mr. Henderson: An exchange of ideas at the highest level takes place through Textron's Presidents' Council — six Division Presidents who serve two year terms. They meet twice a year in Providence to exchange views with Bill Miller and other senior officers. These meetings give the Division Presidents a more direct opportunity to participate in the management of the overall company.

People development at the Division level is illustrated by the voluntary, after-hours training program conducted at Bell Helicopter. Each of the men shown here with Bell Vice President of Operations R. H. Coleman (seated center), started in a non-supervisory position, and with company-sponsored training, has moved into supervision. More than 1,200 Bell employees participated in supervisory development and training courses in 1971.

The first meeting of Textron Atlantic officers and directors with its European managers was held in late 1971 at Wassenaar, The Netherlands. The discussion included Textron's multinational plans, management philosophy and company goals.

Extending the Textron Concept

Mr. Henderson: Western Europe is a vital market in which we are moving to take a position as part of our pattern of balanced diversification. Balanced first in the U.S. in terms of market diversification, Textron now aims for balance on an international basis.

In Textron Atlantic, we're following exactly the pattern we've used in this country — seeking companies that are enthusiastic about joining us.

Our aims, again paralleling our American growth pattern, are not grandiose. We hope to join with companies of moderate size which have technological positions and significant standing in their industries, not necessarily large or well-known companies.

We have two important goals in Europe. One, insofar as possible, is to bring in businesses which are willing and properly may be wholly owned by Textron, simply because we find that joint venture operations tend not to work efficiently and usually create conflicts of interest with other owners.

The other goal is to establish Textron's experience and reputation in transnational business in order to demonstrate our ability to operate compatibly with local interests. This of course involves bringing more foreign nationals into top management positions.

Mr. Henderson

Mr. Ames: The 1971 international monetary uncertainties gave Textron Atlantic some problems, but I don't think we have been handicapped in our operations. One of the strengths of Textron has been the ability to operate within countries under a single financial umbrella. This ability should improve.

Mr. Henderson: Our Eastern European business will be based mainly on trade, because of government control of local enterprise. This will involve a degree of specialization in developing our trade expertise. We need to be in the forefront of efforts to build bridges of commerce to Eastern Europe and the USSR.

Mr. Ames: In the Far East, through Textron Pacific, our growth will have to be adapted to the special problems of that region. We have a visible base in our fine association with Max Company, a long time Japanese affiliate of Bostitch. Textron Australia has a good start, with a number of companies active in this market.

As for the rest of Austral-Asia, the identification of places where we might establish manufacturing operations depends on the product and the local market area.

I think we're going to have to look for results more slowly in the Pacific basin than in Europe.

Ten Year Summary

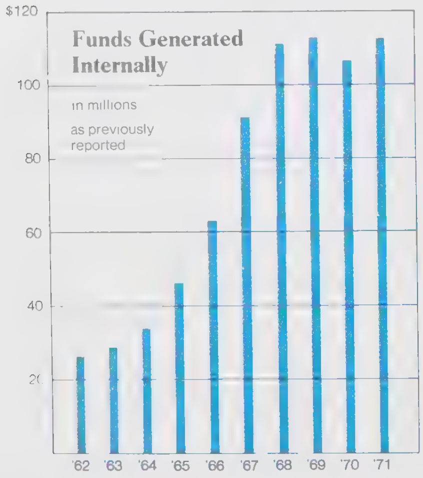
As reported in respective year's Annual Report

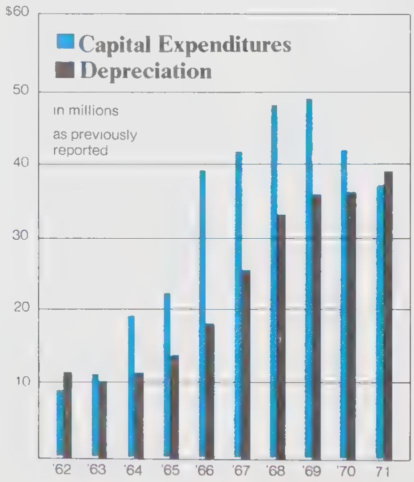
Restated to include poolings of interests

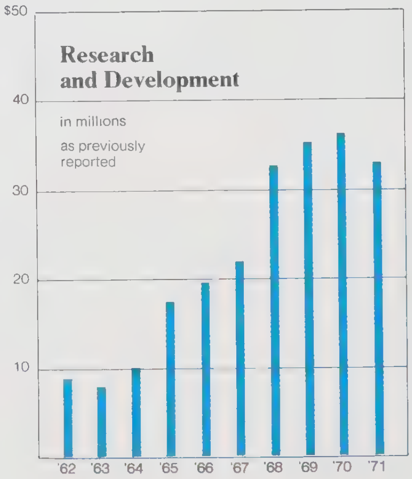
(All dollar figures in thousands except amounts per share)

	Net Sales	Income before Fed. Income Tax	Net Income	Net Income Per Common Share *	Common Shares Outstanding *
1971	$1,603,713	$130,418	$71,818	$2.06	34,906,300
1970	1,611,851	124,236	66,736	1.90	35,209,688
1969	1,682,171	151,672	76,122	2.14	35,650,355
1968	1,704,097	152,900	73,999	2.10	35,299,938
	1,725,214	156,962	75,989	2.11	36,202,815
1967	1,445,985	117,136	61,526	2.02	30,715,114
	1,590,157	138,755	72,938	2.03	36,143,144
1966	1,132,174	84,713	43,913	1.67	26,750,942
	1,416,709	128,402	66,290	1.84	36,391,775
1965	850,957	58,889	29,139	1.22	24,401,080
	1,134,947	103,014	52,063	1.44	36,515,078
1964	720,206	44,085	22,085	.94	24,465,056
	965,082	78,033	39,167	1.10	36,582,549
1963	587,048	32,247	18,047	.77	24,282,714
	809,397	61,982	33,209	.93	36,336,277
1962	549,493	26,672	14,772	.64	24,344,860
	759,940	57,658	29,487	.83	36,398,423

*Based on average common shares outstanding, adjusted for stock splits and assuming that all preferred shares were converted into common stock and warrants and stock options were exercised.







textron Inc.

Consolidated Statement of Income

Years Ended January 1, 1972 and January 2, 1971

	1971	1970
Net sales	$1,603,713,000	$1,611,851,000
Costs and expenses:		
Cost of sales	1,207,602,000	1,234,554,000
Selling and administrative	254,621,000	241,342,000
Interest — net	11,072,000	11,719,000
	1,473,295,000	1,487,615,000
Income before federal income taxes	130,418,000	124,236,000
Provision for federal income taxes	58,600,000	57,500,000
Net income	$ 71,818,000	$ 66,736,000
Net income per common share*	$2.06	$1.90

*Based on average shares outstanding during the year, assuming full conversion of preferred stock and exercise of warrants and stock options.

See notes to financial statements.

textron Inc.

Consolidated Balance Sheet

Assets	January 1, 1972	January 2, 1971
Current assets:		
Cash	$ 24,975,000	$ 23,445,000
Marketable securities, at cost (which approximates market)	42,816,000	55,371,000
Accounts receivable (less allowances of $6,327,000 and $6,578,000)	217,341,000	227,233,000
Inventories, at lower of cost or market:		
Finished goods	138,344,000	115,424,000
Work in process (less progress payments of $100,463,000 and $126,674,000)	128,159,000	143,100,000
Raw materials and supplies	65,283,000	65,543,000
	331,786,000	324,067,000
Prepaid expenses	36,043,000	25,825,000
Total current assets	652,961,000	655,941,000
Property, plant and equipment, at cost:		
Land and buildings	127,631,000	121,722,000
Machinery and equipment	412,443,000	395,106,000
	540,074,000	516,828,000
Less accumulated depreciation	300,709,000	274,181,000
Net property, plant and equipment	239,365,000	242,647,000
Amount paid over value assigned to net assets of companies acquired, less amortization	46,313,000	42,725,000
Patents, at cost less amortization	14,090,000	16,249,000
Other assets	20,670,000	18,523,000
	$973,399,000	$976,085,000

See notes to financial statements.

Liabilities and Shareholders' Equity

	January 1, 1972	January 2, 1971
Current liabilities:		
Notes payable	$ 2,530,000	$ 6,495,000
Accounts payable	73,744,000	70,222,000
Accrued expenses	83,532,000	73,120,000
Federal income taxes	59,565,000	50,092,000
Current maturities of long term debt	1,883,000	21,923,000
Other current liabilities	64,395,000	55,036,000
Total current liabilities	285,649,000	276,888,000
Long term debt	151,569,000	183,952,000
Other liabilities	10,668,000	11,903,000
Shareholders' equity:		
Capital stock:		
$2.08 convertible preferred, Series A (Liquidation value — $153,341,000)	72,476,000	72,477,000
$1.40 convertible preferred dividend, Series B	57,116,000	57,117,000
Common	6,951,000	6,946,000
Capital surplus	33,163,000	31,994,000
Retained earnings	390,815,000	359,347,000
	560,521,000	527,881,000
Less treasury stock, at cost	35,008,000	24,539,000
Total shareholders' equity	525,513,000	503,342,000
	$973,399,000	$976,085,000

Consolidated Statement of Capital Surplus

Years Ended January 1, 1972 and January 2, 1971

	1971	1970
Balance at beginning of year	$ 31,994,000	$ 32,018,000
Additions:		
Capital in excess of par or stated value of shares issued upon:		
Conversion of preferred stock	1,000	—
Exercise of warrants	185,000	110,000
Capital surplus resulting from poolings of interests	1,178,000	65,000
	33,358,000	32,193,000
Deductions:		
Charges resulting from issuance of treasury shares for companies acquired	195,000	199,000
Balance at end of year	$33,163,000	$ 31,994,000

Consolidated Statement of Retained Earnings

Years Ended January 1, 1972 and January 2, 1971

	1971	1970
Balance at beginning of year	$359,347,000	$333,217,000
Net income	71,818,000	66,736,000
Retained earnings of companies acquired through poolings of interests	1,270,000	996,000
	432,435,000	400,949,000
Dividends declared:		
$2.08 preferred stock	6,378,000	6,378,000
$1.40 preferred dividend stock	6,589,000	6,650,000
Common stock ($.90 per share)	24,174,000	24,267,000
Total dividends	37,141,000	37,295,000
Charges resulting from issuance of treasury shares for companies acquired and from exercise of stock options and warrants	4,479,000	4,307,000
	41,620,000	41,602,000
Balance at end of year	$390,815,000	$359,347,000

See notes to financial statements.

Statement of Changes in Shares of Capital Stock

Year Ended January 1, 1972

	Preferred Stock		Common Stock
	$2.08	$1.40	
Shares issued:			
At beginning of year	3,066,845	4,834,068	27,782,680
Exercise of warrants	—	—	21,790
Conversion of preferred stock	(30)	(50)	78
At end of year	3,066,815	4,834,018	27,804,548
Treasury Shares:			
At beginning of year	600	127,300	814,922
Purchases	—	—	553,290
Issued in pooling of interests	—	—	(169,062)
Exercise of stock options	—	—	(8,010)
Exercise of warrants	—	—	(27,900)
At end of year	600	127,300	1,163,240

Consolidated Statement of Changes in Financial Position

Years Ended January 1, 1972 and January 2, 1971

	1971	1970
Sources of working capital:		
Net income	$ 71,818,000	$ 66,736,000
Depreciation and other non-cash charges	41,572,000	39,965,000
Total from operations	113,390,000	106,701,000
Long term borrowings	22,827,000	65,613,000
Working capital of companies acquired	6,810,000	8,258,000
Property, plant and equipment sold	5,394,000	2,928,000
Proceeds from exercise of options and warrants	618,000	148,000
	149,039,000	183,648,000
Uses of working capital:		
Reduction of long term debt	55,962,000	17,679,000
Dividends	37,141,000	37,295,000
Additions to property, plant and equipment	36,746,000	41,642,000
Purchase of treasury shares	15,871,000	12,548,000
Cost of companies acquired	12,499,000	19,368,000
Purchase of treasury debentures	1,456,000	59,000
Other	1,105,000	260,000
	160,780,000	128,851,000
Increase (decrease) in working capital during the year	(11,741,000)	54,797,000
Working capital at beginning of year	379,053,000	324,256,000
Working capital at end of year	$ 367,312,000	$379,053,000
Working capital changes — increase (decrease)		
Cash and marketable securities	$(11,025,000)	$53,435,000
Accounts receivable	(9,892,000)	13,213,000
Inventories	7,719,000	(5,854,000)
Notes payable and current maturities of long term debt	24,005,000	(10,912,000)
Accounts payable and accrued expenses	(13,934,000)	11,137,000
Federal income taxes	(9,473,000)	(13,382,000)
Other	859,000	7,160,000
	$(11,741,000)	$54,797,000

See notes to financial statements.

Notes to Financial Statements

General

During 1971 Textron acquired three companies for $12,499,000. Operating results of these companies have been included in the consolidated statement of income from the dates of acquisition.

Also in 1971, another company was acquired in exchange for 169,062 shares of treasury common stock and was accounted for as a pooling of interests. Accordingly, operating results for 1971 have been included in the consolidated statement of income but the financial statements for 1970 have not been restated since the change would not be material.

On January 12, 1972 the Board of Directors of American Research and Development Corporation endorsed in principle a plan to merge into Textron. The plan, which would involve the issuance of up to 1,842,000 shares of Textron Common Stock, is subject to certain conditions. See Page 2.

Inventories

Cost of $267,618,000 of inventory was determined generally on a first-in, first-out or average method and the balance of $64,168,000 on a last-in, first-out method.

Property, Plant and Equipment

Depreciation on additions of new property is computed generally on the declining balance method and depreciation on other property additions is generally computed on the straight-line method. Depreciation expense amounted to $39,009,000 in 1971 and $36,394,000 in 1970.

Textron has deferred investment credits resulting from the acquisition and leasing of property since January 1, 1962 and is reflecting the credits as a reduction of federal income taxes over the average productive lives of the properties.

Long Term Debt

Exclusive of amounts due in 1972, the debt consists of the following:

8.60% Notes payable due February 15, 1975	$50,000,000
5⅞% Sinking Fund Debentures due May 1, 1992 (Annual Sinking Fund payments of $2,250,000 commencing in 1973)	48,311,000
Eurocurrency borrowings, renewable to 1973 and to 1975, interest at ¾% above London interbank rate which was 6¼% at January 1, 1972 . . .	25,461,000
5% Subordinated Debentures due May 1, 1984 ($100,000 and proceeds received upon exercise of warrants are payable to sinking fund quarterly).	9,924,000
Other notes	17,873,000
	$151,569,000

Capital Stock

Authorized capital stock consists of 15,000,000 no par shares of preferred stock issuable in series and 75,000,000 shares of common stock, 25¢ par value.

Each share of the $2.08 preferred stock ($23.63 approximate stated value) is convertible into 1.1 shares of common stock and is not redeemable by the Company until after December 31, 1972. On or after December 31, 1972, the stock may be redeemed at prices ranging from $55 in 1973 to $50 in 1978 and thereafter. From 1973 through 1977 the $2.08 preferred stock may not be redeemed except in its entirety and in 1978 and thereafter all or any part may be redeemed at any time. In the event of involuntary liquidation, the stock is entitled to $50 per share and accrued dividends. In the event of voluntary liquidation, each share is entitled to an amount equal to the prevailing redemption price.

Each share of $1.40 preferred dividend stock ($11.82 approximate stated value) is convertible into .9 share of common stock and is not redeemable by the Company until after December 31, 1973, at which time the redemption price will be $45 per share. After that date all or any part of the stock may be redeemed at anytime. In the event of liquidation, holders of each share of $1.40 preferred dividend stock would receive accrued dividends and thereafter share rateably on a converted basis with holders of common stock, subject to prior rights of the $2.08 preferred stock.

Shares of common stock reserved were as follows:

$2.08 Cumulative Convertible Preferred Stock, Series A	3,373,497
$1.40 Convertible Preferred Dividend Stock, Series B (preferred only as to dividends)	4,350,617
Warrants (exercisable at $8.75 per share until May 1, 1974, with $1.25 price increases each five years thereafter until expiration in 1984)	305,410
Options granted to employees	592,975
	8,622,499

Stock Options

Under the Stock Option Plan approved by stockholders in 1969 options for a maximum of 1,000,000 shares of common stock may be issued at prices not less than the fair market value at the date of grant. Options cannot be exercised for a period of 24 months after grant and may be made exercisable thereafter in cumulative installments of not more than 35% in each of the third and fourth years of the option and the balance in the fifth year. No option may be exercised later than five years from the date of grant.

A summary of shares subject to these options during 1971 is shown below:

	Price per Share	Shares
Balance – Jan. 2, 1971	$21.00 to $31.75	427,825
Add – Options granted	25.69 to 29.69	190,650
Deduct:		
Options exercised	24.25	2,810
Options cancelled	23.32 to 31.75	34,390
Balance – Jan. 1, 1972	$21.00 to $31.75	581,275

At January 1, 1972 options for 226,800 shares of common stock were exercisable and 415,915 shares of common stock were available for the granting of future options.

Upon acquisition of certain companies Textron substituted options on shares of its stock for the outstanding options of the acquired companies. Options for 900 shares of common stock at $36.25 and 12,000 shares of $1.40 preferred dividend stock at $31.19 per share, were outstanding and exercisable at January 1, 1972.

Pensions

The Company and its subsidiaries have several pension plans covering 93% of their employees. The total pension expense charged to consolidated income for the year was approximately $17,000,000 which includes amortization of unfunded prior service cost over periods ranging from 10 to 30 years. The Company's policy is to fund pension costs accrued.

Auditors' Report

ARTHUR YOUNG & COMPANY

277 PARK AVENUE
NEW YORK, N. Y. 10017

The Board of Directors and Shareholders
Textron Inc.

We have examined the accompanying consolidated balance sheet of Textron Inc. at January 1, 1972 and the related consolidated statements of income, retained earnings, capital surplus, changes in shares of capital stock and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of Textron Inc. at January 1, 1972 and the consolidated results of operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

February 14, 1972.

Arthur Young & Company

Transfer Agents

Common Stock

Rhode Island Hospital Trust National Bank, Providence, Rhode Island
Morgan Guaranty Trust Company of New York, New York City
Bank of America National Trust and Savings Association, Los Angeles, California

Convertible Preferred Stock

$2.08 Cumulative Convertible Preferred Stock, Series A
$1.40 Convertible Preferred Dividend Stock, Series B (preferred only as to dividends)
Rhode Island Hospital Trust National Bank, Providence, Rhode Island
Morgan Guaranty Trust Company of New York, New York City

Board of Directors

Carlo Bombieri	Managing Director, Banca Commerciale Italiana, Milan, Italy
Georges F. Doriot	President, American Research and Development Corporation, Boston, Mass.
Paul M. Fye	President, Woods Hole Oceanographic Institution, Woods Hole, Mass.
Harvey Gaylord	Retired Executive Vice President, Textron Inc.
Clarence H. Gifford, Jr.	Chairman of the Board, Rhode Island Hospital Trust National Bank, Providence, R. I.
Herman E. Goodman	President, The Franklin Corporation, New York City
Webb C. Hayes, III	Partner, Frost & Towers, Attorneys, Washington, D. C.
G. William Miller	President, Textron Inc., Providence, R. I.
Arthur T. Roth	Chairman of the Board, Bank of Suffolk County, Stony Brook, N. Y.

Principal Officers

G. William Miller, President

Joseph B. Collinson, Executive Vice President
Finance and Administration
Erskine N. White, Jr., Executive Vice President
Operations

Robert S. Ames, Senior Vice President
John B. Henderson, Senior Vice President
and Secretary

Egil G. Ruud, Group Vice President
James E. Turner, Group Vice President
Charles J. Urban, Group Vice President
Gerald H. Keltz, Vice President — Group Officer
Charles T. Roelke, Vice President — Group Officer
Thomas J. Sullivan, Vice President — Group Officer
Charles F. Chapin, Vice President — Investment Management
Robert H. Charles, Vice President
Robert S. Eisenhauer, Vice President — Corporate Relations
Douglas L. Grote, Vice President — Employee Benefits
G. Richard Westin, Vice President and Treasurer
Thomas D. Soutter, General Attorney
George H. Murphy, Chairman, Consumer Product Development

textron

Companies and Principal Products

—with Names of Presidents

Aerospace Product Group

Bell Aerospace	*William G. Gisel*	Rocket engines, missile and spacecraft propulsion systems, rocket fuel tanks, vertical lift aircraft, air cushion vehicles, surface effect ships, aircraft landing systems, inertial systems.
Bell Helicopter	*Edwin J. Ducayet, Chairman*	Military and commercial helicopters and vertical lift aircraft, systems integration.
Dalmo Victor	*John H. Pamperin*	Electro-magnetic defense systems, aerospace antennas, electro-optics; *Oregon Technical Products*, rail and transit products, electro-mechanical aircraft accessories.
Electronic Research	*Harold M. Danzig*	Crystals, time and frequency standards, crystal and LC filters, digital temperature instruments and controls.
Hydraulic Research and Manufacturing	*Samuel X. Garcia*	Electro-hydraulic valves and servo control systems, hydraulic-pneumatic control systems, high performance filters; *Accessory Products*, valves, pressure regulators, fluid controls, fire suppression systems; *Ledeen*, automated controls for fluid and gas processing.
Spectrolab/Heliotek	*Alfred E. Mann*	Electro-optics, optical thin film filters, solar cells, space power arrays, solar simulators, high intensity searchlights.

Consumer Product Group

Donahue Sales	*A. J. Donahue*	Distributor of zippers and related home sewing products.
Eaton Paper	*Morton L. Weiss*	Social stationery, desk and photo accessories, At-A-Glance personal record and appointment books, Berkshire typewriter paper; *Camp*, packaged stationery and school supplies; *Ellingsworth*, Duo-Tang report folders.
Gorham	*Walter J. Robbie*	Sterling silver and stainless steel flatware, sterling and silver plated holloware, giftware, fine china and crystal, bronze memorial markers.
Homelite	*Robert P. Straetz*	Chain saws, pumps, generators, lawn and garden equipment, portable space heaters; *Terry Industries* (Canada), chain saws, pumps, generators, lawn and garden equipment. *E-Z-Go* — Golf cars.
Patterson-Sargent	*George A. O'Hare*	BPS, Vita-Var and Allied paints and varnishes.
Polaris	*Herbert C. Graves*	Snowmobiles and accessories.
Sheaffer Pen	*Louis S. Bishop*	Writing instruments, Skrip writing fluid, Illi art giftware. *Maico* — Electronic hearing aids, audiometers.
Shuron Continental	*Gordon M. Cooper*	Eyeglass frames, lenses, optical machinery. *Welsh Manufacturing* — Safety products and equipment.
Speidel	*John A. Keenan*	Twist-O-Flex watchbands, identification bracelets, jewelry chain; British Sterling, Bravura, and Grande Marque men's toiletries.
Talon	*James W. Nelson, Jr.*	Metal and filament zippers, thread, tapes, braids, and other sewing accessories; *Universal Button*, buttons, hooks and eyes, snap fasteners; *Gibson Electric*, powdered metal electrical contacts; *RiRi* and *Aero Zipp* (European affiliates), zippers.

Industrial Product Group

Burkart/Randall	*Lawrence T. Hickey*	*Burkart*, polyurethane foam, natural and synthetic fiber cushioning materials; *Randall*, automobile and appliance trim, automobile door frames, body parts, tubular products; *Seneca*, molded plastic products.
Campbell, Wyant and Cannon	*Richard L. Lindland*	Grey, alloyed and ductile iron castings for engine blocks, cylinder heads, camshafts, gears, manifolds, housings and other parts; *Paramount*, zinc, aluminum and magnesium die cast parts.
Fafnir	*Franklin S. Atwater*	Precision ball, roller and sliding bearings for industrial, aerospace, off-the-road and farm equipment fields and the replacement market.
Fanner	*Burton S. Massie*	*Cleveland Metal Abrasives*; *DeSanno*, grinding wheels.
MB Electronics	*G. William Harrison*	Vibration measurement instruments, test equipment, feeders, pressure transducers, digital control systems.
Spencer Kellogg	*Robert L. Terrill*	Chemical products, including synthetic resins; linseed oil and other oilseed products.
Sprague	*William A. Haist, Jr.*	Gas meters and regulators, liquid gas cylinders and fittings, clamps and service fittings for gas utilities.
Walker/Parkersburg	*Walter E. Ausenheimer*	Electrical raceway systems, pre-engineered metal buildings.

Metal Product Group

Adcock-Shipley (United Kingdom)	*Alan Shipley, Chairman*	Horizontal and vertical milling machines.
Bostitch	*M. Claude Schuler*	Office, home and industrial staplers and staples, pneumatic nailers and staplers, wire stitchers, container finishing equipment. *Hall-Mack* — Bathroom accessories.
Bridgeport Machines	*France Q. Wilson*	Vertical milling machines; *Bridgeport Controls*, numerical control systems for machine tools; *True-Trace*, electronic and hydraulic machine tool control systems.
Camcar	*Ray H. Carlson*	Raycarl cold headed metal parts, proprietary and special fasteners for aerospace, automotive and appliance industries.
Pittron	*Albert C. Fisher*	Tandem and single stand heavy duty rolling mills and auxiliary equipment, aluminum and steel foil mills, carbon high alloy and large stainless steel castings.
Townsend	*Harold C. Kornman*	Special fasteners for aerospace, automotive, appliance and construction industries, fastening tools, automatic fastening machines and cold formed special parts.
Waterbury Farrel	*Arthur S. Nippes*	Waterbury cold heading machines, Sendzimir and other rolling mills, presses, Cleveland hobbing machines; *Jones & Lamson*, numerical control, automatic and other turret lathes, cylindrical and thread grinders, optical comparators; *Precision Methods and Machines*, rolling mill components, heat treating, precision machining; *Thompson Grinder*, precision surface grinders.

textron
Providence, R. I. 02903